



Revenue and Transportation Interim Committee

64th Montana Legislature

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TO: Revenue and Transportation Interim Committee

FROM: Megan Moore, Research Analyst

DATE: February 24, 2016

RE: Joint Revenue Estimating Subcommittee

This memorandum is in response to the request for more information about the subcommittee formed during the 2015 legislative session to work on the revenue estimate and options to form a similar subcommittee in the next legislative session.

Formation of the 2015 Subcommittee

The committee referred to as the "Joint Subcommittee on Revenue Estimating" was actually two subcommittees that chose to meet jointly upon agreement of the chairmen of the Senate Taxation Committee and the House Taxation Committee. Both the Senate and House rules contain a provision that allows a committee chair to appoint subcommittees,¹ but the only rule addressing joint subcommittees pertains to the joint subcommittees of the House Appropriations Committee and the Senate Finance and Claims Committee.²

The chairmen agreed to each appoint four members to the subcommittee: two members of the majority party and two members of the minority party. Each standing committee chair designated a subcommittee chair. The Senate subcommittee chair presided over the meetings and coordinated with the House subcommittee chair in setting the meeting schedules and topics. The members that served on the subcommittee were:

Senate Members

Sen. Fred Thomas, subcommittee chair
Sen. Dick Barrett
Sen. Brian Hoven
Sen. Christine Kaufmann

House Members

Rep. Greg Hertz, subcommittee chair
Rep. Tom Jacobson
Rep. Albert Olszewski
Rep. Kathleen Williams

In addition, Chairman Tutvedt of the Senate Taxation Committee and Chairman Miller of the House Taxation Committee served as ex-officio voting members, attending meetings as they were available.

¹Senate Rule [S30-50\(1\)\(c\)](#), House Rule [H30-20\(1\)\(f\)](#).

²Joint Rule [30-50](#).

Meeting Schedule and Topics

The charge of the joint subcommittees was to thoroughly review the general fund revenue sources estimated in [House Joint Resolution No. 2](#) and make any recommendations on amendments to the House Taxation Committee. The chairman scheduled and announced the topics for each subcommittee meeting in advance of the meeting. Legislative Services Division staff posted the meeting schedule, meeting topics, and materials on the joint subcommittees' [website](#).

Staff for the Legislative Fiscal Division and the Office of Budget and Program Planning met before each subcommittee meeting to discuss their estimates and the models used to produce the estimates. The analysts for each agency then presented to the subcommittees on how the models and estimates were similar and different and any work that had been done to align the models.

The subcommittee met eight times, beginning with an organizational meeting on January 27 and a final meeting to formulate recommendations on March 20. The meetings generally lasted about 1.5 hours with the exception of the individual income tax meeting, which lasted 3 hours. The meetings took place during the time available for Class I committee meetings but occasionally ran into the lunch hour.

Considerations for the Next Legislative Session

If the committee is interested in a similar subcommittee process during the next legislative session, the committee could take one of the following approaches:

1. recommend adoption of a legislative rule outlining a joint revenue subcommittee process; or
2. make a committee recommendation outlining a revenue subcommittee process and provide the recommendation to the chairs of the taxation committees next session.

With either approach, the following are areas for consideration. The committee's answers to the questions below may point towards one of the options above as rule changes are necessary in some cases.

1. Should the House and Senate member votes be tallied together or separately?
 - a. Because the subcommittees were two separate subcommittees, the House and Senate votes were tallied separately and both votes had to be affirmative for a recommendation to be made to the House Taxation Committee.
 - b. The joint budget subcommittees are provided for in [Joint Rule 30-50](#) and votes are tallied together per [Joint Rule 30-20](#), which addresses voting in joint committees.
 - c. Together: Recommend a rule change to designate the subcommittee as a joint subcommittee.
 - d. Separate: No rule change necessary.
2. What should be the composition of the joint revenue subcommittee?
 - a. If the committee wishes to recommend a rule establishing a joint revenue subcommittee:
 - i. Answers to the following questions may be useful in making the recommendation:

- (1) Who appoints the subcommittee members? Though not explicitly stated in rule, the Senate Committee on Committees and Speaker of the House appoint respective joint budget subcommittee members and chairs and vice chairs.³
 - (2) Which chamber chairs the joint revenue subcommittee? [Joint Rule 30-50](#) provides that the House Appropriations Committee chair is the chair of joint meetings of the House Appropriations Committee and Senate Finance and Claims Committee. The rules do not address joint subcommittee chairs but the custom is that a House member chairs and a Senate member is the vice chair.
 - (3) Should the taxation committee chairs be voting members? [Joint Rule 30-50](#), pertaining to joint budget subcommittees, provides that a chair may vote if either house has fewer members on the joint subcommittee and the chair represents the house with fewer members. The chair must also be present at the time of the vote.
- ii. The committee may also wish to consider whether the following should be included in a rule recommendation:
 - (1) What should be the partisan composition?
 - (2) Should each chamber have equal membership?
 - b. If the committee does not wish to propose a rule about creating a joint revenue subcommittee or if the rule does not address composition of the committee(s), the appointing entities will make those decisions.
 - c. If the decision is not to request a rule change, the committee could still make a recommendation to the taxation committee chairs on the above questions.

Conclusion

If the committee wishes to recommend a legislative rule change, staff can draft a letter to Legislative Council's Rules Subcommittee, which will meet for the first time in May. The letter could include a draft proposed rule or, if the committee wants to review a draft rule first, the proposed rule could be sent to the Rules Subcommittee after the June Revenue and Transportation Interim Committee meeting.

If the committee decides to make a recommendation to the chairs of the taxation committees, that recommendation can be drafted for and reviewed at the June Revenue and Transportation Interim Committee Meeting.

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³Senate Rule [S30-10](#) and House Rule [H30-10](#) provide for committee appointments.